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NAVIGATING HEATING OIL PRICE UNCERTAINTY

Consumer Affairs Director Lindstrom Urges Exploring All Options, Monitoring Weekly Surveys

The winter heating oil season is now just two weeks away. Volatile crude oil prices and uncertainty over winter severity continue to cloud the forecast for where retail prices will end up this winter.

“If they haven’t already, consumers need to start price monitoring and widen their search for the best deal for their budgets,” said Massachusetts Consumer Affairs Director Beth Lindstrom. “Fixed and capped price contracts offer protection against price spikes that come with unexpected cold snaps and greater oil demand and many dealers also offer budget billing.” Lindstrom added.

David O'Connor, Commissioner of the Division of Energy Resources added, “New home heating oil surveys will be posted on our website weekly beginning in October, but consumers are urged to take steps on their own to reduce energy usage, which can reduce your heating costs over the course of the winter.”

Approximately 30% of households that use home heating oil enter into seasonal contracts. Those contracts can have many variables. “As always, understand the terms of the contract with the dealer before you sign,” emphasized Director Lindstrom.

1. Shop Around for Contracts: Fixed price contracts lock in a price for the season, whereas capped price contracts offer a price range that is capped at a certain price. Be sure and ask whether the contract price will go down should retail prices fall below the capped price offered. Consumers are also urged to take advantage of budget billing. Many oil dealers offer customers the opportunity to spread out payment of their oil bills throughout the season. Check with your dealer to see if this option is available to you. Other contract questions consumers should be asking include:

- Are there set-up fees associated with fixed or capped price programs?
- Is there a termination fee if you end your contract early?

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- Is the contract for full-service and does it include maintenance, emergency service and automatic delivery?
- Is there a deposit or pre-payment required? How and when will billing occur?

Further options heating oil customers should consider are:

2. Perform Routine Maintenance: Annual oil burner cleaning keeps your heating system running at peak performance and enhances efficiency. Because companies are often busier during the winter months, it is best to schedule annual service calls now. Check your service contract to see if a cleaning is included as part of your agreement.
3. Take Advantage of Energy Efficiency Programs: Funded by gas and electric utility ratepayers, energy efficiency programs may be offered through utility companies. Among the services that may be offered are free energy audits of your home or apartment and incentives for insulation, EnergyStar lighting, EnergyStar appliances and heating systems. Call 1-866-527-SAVE for more information.
4. Take Advantage of Fuel Assistance Programs: Consumers can apply for fuel assistance beginning November 1st. Fuel assistance provides a payment to your energy provider to help cover the costs of your bill. Eligibility for assistance is based solely on income and is available to homeowners and tenants. For a family of four, household income eligibility is capped at \$37,700. Call 1-800-632-8175 or visit www.massfuelassist.com for more information.
5. Other Shopping Options: Another option for consumers is an oil co-op. It's a buying group formed to help consumers purchase energy at lower costs. A list of oil co-ops in the state is available at www.mass.gov/doer as part of the fuel assistance tip sheet or you may contact DOER at 1-800-351-0077. Mass Oil Heat Association also offers a list of dealers statewide at www.massoilheat.org.

Additional consumer tips and information on saving energy are available at the Commonwealth's Winter Heating website, www.winterheating.com.

From October through March, the Division of Energy Resources collects and monitors heating oil and propane prices to provide consumers with a benchmark to measure against their own prices. Surveys are posted weekly at www.mass.gov/doer.

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